
Office of Banking and Financial Institutions

FY 2002 Proposed Operating Budget

\$2,693,951

FY 2002 Proposed Capital Budget

\$0

The Office of Banking and Financial Institutions promotes a climate in which financial institutions will organize to do business in the District of Columbia and contribute to the economic development of the District through the increased availability of capital and credit, and expands advantageous financial services to the public in a nondiscriminatory manner.

The FY 2002 proposed operating budget is \$2,693,951, an increase of \$824,575, or 44.1 percent, over the FY 2001 approved budget.

Budget Summary

The FY 2002 proposed operating budget is \$2,693,951, an increase of \$824,575, or 44.1 percent, over the FY 2001 approved budget (table BIO-1). The Office of Banking and Financial Institutions (OBFI) supports 27 full-time equivalents (FTEs), an increase of 7 FTEs over the FY 2001 approved level (table BIO-2).

- Improve the District's foreclosure process and protect residents from predatory lending practices.
- Position the District in the international banking arena to attract international banking businesses to the District.

Strategic Issues

- Increase the number of banking institutions.
- Expand the scope of financial services in the District.
- Promote fair and equitable financial operations and the availability of capital throughout the city.

FY 2002 Initiatives

- Complete the development of a database for tracking, monitoring, and interfacing with D.C. agencies for licensure of financial businesses.
- Upgrade the agency's Web site.

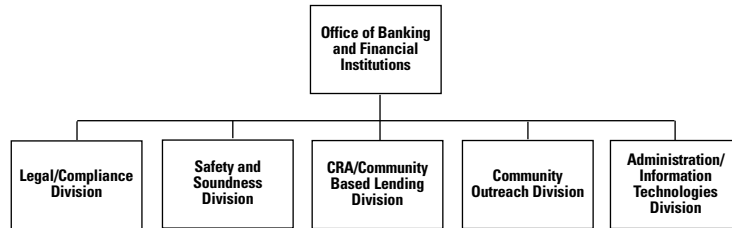
Agency Background

The Office of Banking and Financial Institutions is the District's regulatory authority, created in 1986 for financial institutions operating in the District. It is charged with chartering and regulating banks, savings banks, trust companies, and other financial institutions seeking to establish an office in the District where deposits or savings are received.

OBFI also is charged with regulating mortgage lenders and brokers, check cashers, money transmitters, consumer sales finance companies, moneylenders, and consumer credit service organizations operating in the District of Columbia. OBFI's chartering, licensing, examination, and investigation activities operate to protect District

Figure BI0-1

Office of Banking and Financial Institutions



residents from unfair and abusive practices and to provide a fair and equitable business arena for all financial institutions operating in the District.

Programs

OBFI has a mandate to (1) ensure that all financial institutions operating in the District and all banks and bank holding companies seeking entry into the District provide financial services to the public in a manner that fosters the development and revitalization of housing and commercial corridors in underserved neighborhoods; (2) help meet the credit and deposit services needed by low-income and minority residents; and (3) expand financial and technical support for local, small, and disadvantaged businesses. The proposed budget for these programs in FY 2002 is \$2,693,951, which includes the salaries of 27 FTEs. This is an increase of \$824,575 and seven FTEs over FY 2001. The increase in budget and FTEs will support the creation of a mortgage foreclosure group, expanded community outreach services, and Individual Development Accounts (IDAs) for low-income families.

The OBFI components implementing this mandate appear in figure BI0-1.

Funding Summary

OBFI receives 93 percent of its funding from Other (O-type) revenue sources and 7 percent from local sources (table BI0-3). Refer to the FY 2002 Operating Appendices (bound separately) for details.

Local

The proposed local budget is \$200,000, an increase of \$200,000 over the FY 2001 approved budget. The new funding is for Individual Opportunity Accounts (IDAs). IDAs are matched savings accounts, usually for low-income families that can be used for home-ownership, micro enterprise or education purposes. Funding for the IDAs is budgeted in subsidies and transfers.

Other

The proposed Other (O-type) budget is \$2,493,951, an increase of \$624,575, or 33 percent over the FY 2001 approved budget. Of this increase, \$505,448 is in personal services and \$119,127 is in nonpersonal services. The other budget supports 27 FTEs, an increase of 7 over the FY 2001 approved level. This increase is requested to support the creation of a mortgage foreclosure group and expand community outreach services.

Trend Data

Table BI0-3 and figure BI0-2 show expenditure and employment histories for FY 1998–FY 2002.

Agency Goals and Performance Measures

Goal 1. Protect District residents from unfair and abusive practices and establish a fair and equitable business arena.

Citywide Strategic Priority Area: Making government work

Manager: Henry Scott, Bank Examiner, Safety & Soundness – Non-Depository; Stephen Taylor, General Counsel, Office of the General Counsel and Regulatory Compliance

Supervisor: S. Kathryn Allen, Commissioner

Table B10-1

FY 2002 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Office of Banking and Financial Institutions

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Regular Pay, Cont. Full Time	647	1,109	1,552	443
Regular Pay - Other	57	0	0	0
Additional Gross Pay	18	0	0	0
Fringe Benefits	91	145	208	63
<i>Subtotal Personal Services (PS)</i>	<i>813</i>	<i>1,255</i>	<i>1,760</i>	<i>505</i>
Supplies and Materials	20	44	81	37
Communications	25	7	35	27
Rentals - Land and Structures	104	266	268	2
Other Services and Charges	96	161	197	36
Contractual Services	117	79	79	0
Subsidies and Transfers	0	0	200	200
Equipment and Equipment Rental	142	57	74	17
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>504</i>	<i>615</i>	<i>934</i>	<i>319</i>
Total Proposed Operating Budget	1,317	1,869	2,694	825

Table B10-2

FY 2002 Full-Time Equivalent Employment LevelsOffice of Banking and Financial Institutions

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Continuing full time	7	20	27	7
Term full time	7	0	0	0
Total FTEs	14	20	27	7

Measure 1.1: Number of financial institutions examined to improve safety and soundness in financial institutions in the District

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	300	400	500
Actual	0	0	-	-	-

Note: FY 2002 and 2003 targets based on the likelihood that an additional examiner could be hired.

Measure 1.2: Number of regulations drafted to improve and enforce financial services laws

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	2	3	TBD
Actual	0	0	-	-	-

Table BI0-3

FY 2002 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

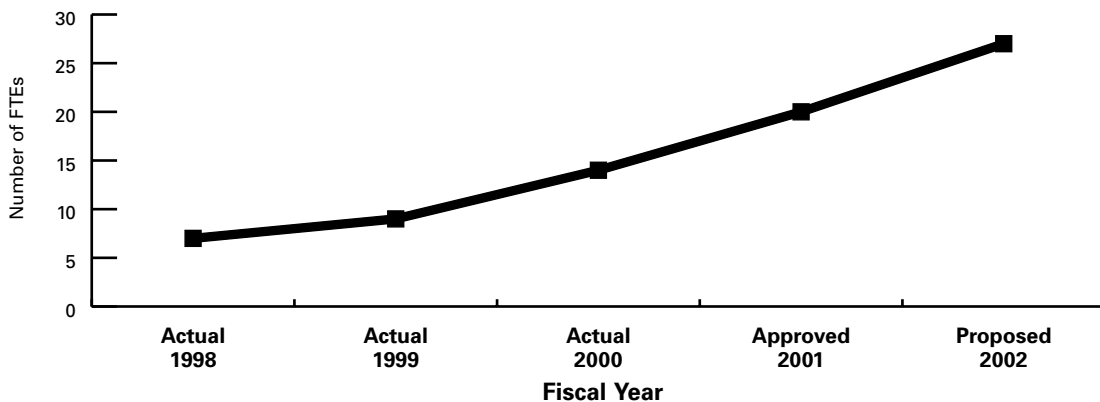
Office of Banking and Financial Institutions

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Local	100	384	446	0	200
Other	293	260	871	1,869	2,494
Gross Funds	393	644	1,317	1,869	2,694

Figure BI0-2

OBFI Employment Levels, FY 1998–Proposed FY 2002

(gross FTEs)

**Measure 1.3: Total number of OBFI licensees**

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	N/A	N/A	1,500	1,650	1,815
Actual	845	1,288	-	-	-

Goal 2. Foster the development and revitalization of housing and commercial corridors in underserved District neighborhoods.*Citywide Strategic Priority Area:* Promoting economic development

Managers: S. Kathryn Allen, Commissioner; Ruby Coston-White, Bank Examiner, Safety & Soundness – Policy and Analysis; Erika Wilson Young, CRA Manager, Community Based Lending/CRA

Supervisors: Anthony Williams, Mayor; S. Kathryn Allen, Commissioner

Measure 2.1: Number of presentations to potential financial institutions and investor groups to promote the chartering of banks

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	N/A	N/A	10	10	10
Actual	0	5	-	-	-

Measure 2.2: Number of e-net policies and procedures developed

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	N/A	N/A	3	5	5
Actual	0	0	-	-	-

Measure 2.3: Number of capital programs implemented, which should increase economic opportunities

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	N/A	N/A	3	2	TBD
Actual	0	1	-	-	-

Goal 3. Help meet the credit and deposit services needed by low income and minority residents.

Citywide Strategic Priority Area: Promoting economic development

Managers: Henry Scott, Bank Examiner for Safety & Soundness – Non-Depository; Stephen Taylor, General Counsel, Office of the General Counsel and Regulatory Compliance; Erika Wilson Young, CRA Manager, Community Based Lending/CRA

Supervisor: S. Kathryn Allen, Commissioner

Measure 3.1: Number of reinvestment programs implemented, which help promote and create community reinvestment opportunities

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	N/A	2	2	TBD
Actual	0	1	-	-	-

Measure 3.2: Number of proposed broadened statutory authority pieces introduced, which help to increase economic development opportunities

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	N/A	2	2	TBD
Actual	0	0	-	-	-

Goal 4. Enhance access to financial and technical resources available to District residents and businesses operating in the District.

Citywide Strategic Priority Area: Building and sustaining healthy neighborhoods

Managers: Janice Ghenene, Public Information Officer, Community Outreach; Cynthia Eagle, Special Projects Coordinator, Office of the Commissioner

Supervisor: S. Kathryn Allen, Commissioner

Measure 4.1: Number of events/workshops that the agency sponsors or participates in to provide financial education

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	N/A	30	35	TBD
Actual	0	22	-	-	-

Measure 4.2: Number of financial literacy publications made available

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	N/A	20	25	TBD
Actual	0	15	-	-	-

Measure 4.3: Number of Junior Super Savers Clubs in District elementary schools

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	N/A	8	10	12
Actual	N/A	1	-	-	-

Measure 4.4: Number of services and information available through the agency's web site

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	N/A	20	22	25
Actual	2	2	-	-	-

Goal 5. Improve customer satisfaction.

Citywide Strategic Priority Area: Making government work

Managers: Ruby Coston-White, Bank Examiner, Safety & Soundness – Policy and Analysis; Henry Scott, Bank Examiner, Safety & Soundness – Non-Depository

Supervisor: S. Kathryn Allen, Commissioner

Measure 5.1: Percent of complaints acknowledged within 2 business days

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	95	95	98	100
Actual	N/A	90	-	-	-

Measure 5.2: Percent of investigations completed within 30 days

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	95	95	98	TBD
Actual	N/A	75	-	-	-

Measure 5.3: Percent of complaints resolved within 45 days

	1999	2000	Fiscal Year 2001	2002	2003
Target	N/A	75	75	90	95
Actual	N/A	25	-	-	-

Measure 5.4: Percent of financial institution licenses and renewals processed within 45 days

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	75	75	90	95
Actual	N/A	25	-	-	-

Goal 6. Operate like a business.

Citywide Strategic Priority Area: Making government work

Managers: All Senior Managers; Cynthia Eagle, Special Projects Coordinator, Office of the Commissioner; Henry Scott, Bank Examiner, Safety & Soundness – Non-Depository

Supervisor: S. Kathryn Allen, Commissioner

Measure 6.1: Percent of services/products delivered within specified time frames

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	80	90	95
Actual	N/A	50	-	-	-

Measure 6.2: Percent of network and computer systems under 2 years old, which ensures that the agency has state-of-the-art technology

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	90	95	99
Actual	0	40	-	-	-

Measure 6.3: Number of in-kind dollars donated (thousands of dollars)

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	20.0	65.0	70.0	TBD
Actual	0	53.7	-	-	-

Measure 6.2: Number of new partnerships formed

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	3	6	TBD
Actual	0	12	-	-	-